

## COMMITTEE ON LANDS AND BUILDINGS

**July 15, 2003**

**5:30 PM**

In the absence of the Chairman, the Clerk called the meeting to order.

The Clerk called the roll.

Present: Aldermen Gatsas, Pinard, DeVries, Garrity

Absent: Alderman Thibault

Messrs: T. Nichols, T. Arnold, S. Harrington, J. Marchwicz, R. MacKenzie,  
R. Ludwig

Alderman Garrity moved to elect Alderman Gatsas Chairman Pro-Tem. Alderman Pinard duly seconded the motion.

Deputy Clerk Johnson called for a vote. The motion carried with Alderman Gatsas being duly recorded in opposition.

Chairman Gatsas addressed Item 4 of the agenda:

Petition from Ronald Dupont, Red Oak Property Management, Inc. to purchase 165 Central Street (land only).

Chairman Gatsas asked the lot that is in question on the sheet that we have is which one.

Deputy Clerk Johnson answered it is Lot 48.

Chairman Gatsas asked and the abutter who is requesting it is Lot 49.

Deputy Clerk Johnson answered the abutter who is requesting it has Lots 49, 50 and 51. There is another abutter I believe and perhaps Tom can address that.

Assessor Tom Nichols stated there is one abutter to the left of the property, which is Lot 47. That is 25 feet x 100 feet back. It has a three-family on it. There is very little room for parking. He has probably two or three spots out back. Lot 48 is now vacant with a burned down building. I guess Red Oak wants to buy it to

increase the land value on Lot 49, which according to the Building Department for every 1,600 additional feet that he gains on this lot he can build an additional unit so it is very valuable to him. \$5,000 I don't think is a fair price.

Deputy Clerk Johnson stated I would just note that the Planning report is enclosed and they have indicated that the most practical method was to dispose of the property by sale to an abutter or to put it up for public auction. There is more than one abutter there so I don't know how you want to proceed with that.

Chairman Gatsas asked has anybody talked to the abutter on Lot 47.

Assessor Nichols answered no I have not. His name is Peter Kidd and I have not talked to him yet because I didn't know what the Committee wanted to do.

Alderman Garrity asked is there a planned usage for Red Oak. What are they going to use it for?

Assessor Nichols answered we don't know what they are going to use it for.

Alderman Guinta stated as I understand it...I met with Ron Dupont of Red Oak and I took a look at the site. What he would like to do is he is currently renovating the building that he is using right now as the Red Oak Property Management Company. What he would like to do is extend west behind the building his parking lot. That is his entire plan and he would like to do that in conjunction with the current renovations that he is completing on the building.

Alderman Garrity asked is this the building on Pine Street. Does this lot abut their headquarters on Pine Street? Is it the parking lot in the rear of that?

Alderman Guinta answered it is immediately behind the parking lot. It is an open space right now. There is nothing there. It is just dirt.

Alderman Lopez asked, Tom, you said \$5,000 is not enough money but it is not worth anything to us now and if the person wants to do something with it and it will be more valuable and go on the tax roles how can we not say that it is worth \$5,000. It is worth \$5,000 to him. It is worth nothing to us.

Chairman Gatsas stated there is a new sheet here that says the Assessors put the value between \$10,000 and \$15,000.

Alderman Lopez asked for 2,500 square feet.

Assessor Nichols answered what I am saying is it is going to enhance his other properties. He has a 5,000 square foot lot next to it and if he combines this with it he can build five or six units on it. If Peter Kidd wants to buy it he couldn't build on it because it is not buildable but he could have extra parking. What I am saying is I don't think \$5,000 is enough for that parcel.

Alderman DeVries stated I am not sure if either of you can address this but if we were to sell this through public auction the first person paid back out of the proceeds of that auction would be the City for the back taxes which are almost \$14,000 correct.

Assessor Nichols answered it is around \$13,000.

Alderman DeVries stated I am showing back taxes of \$13,901.08.

Deputy Clerk Johnson stated that would include demolition costs as well because there was something on the property that was demolished by the City.

Alderman DeVries asked would we be in line to receive the reimbursement for the demolition of property.

Deputy Clerk Johnson answered if you sold the property for say \$5,000 that is all you are going to get and you are going to have to write-off the balance somewhere on your City account.

Alderman DeVries stated that would be the reason we should be looking at this to see if we can gain the higher value at public auction or whatever because we are already in arrears close to \$14,000 so if it does fetch between \$10,000 and \$15,000...

Chairman Gatsas interjected do I have a motion for a minimum bid of \$10,000 going out to public auction.

Alderman Garrity moved that the minimum bid be what we are owed - \$13,901.08. Alderman DeVries duly seconded the motion.

Chairman Gatsas stated that is at the top end of what the Assessor is telling us it is worth.

Alderman Garrity answered well that is what we owe on it.

Chairman Gatsas replied it is now owed. You have to remember that those taxes have been there since there was a building on it. It is not just accrued on the land.

Alderman Garrity responded it is back taxes and demolition. It is money we spent that we haven't been reimbursed.

Chairman Gatsas called for a vote on the motion. There being none opposed, the motion to send it out to public auction at a minimum bid of \$13,901.08 carried.

Alderman Guinta asked if the request goes out and nobody bites at that figure what would be the next step.

Chairman Gatsas answered it comes back and it would probably go to the minimum bid of \$10,000.

### **TABLED ITEM**

5. Communication from John Marchwicz requesting to purchase a parcel of land known as Map 218, Lot 22 located on Crescent Lane.

On motion of Alderman DeVries, duly seconded by Alderman Pinard it was voted to remove this item from the table.

Deputy Clerk Johnson stated I would like to note for the record that we have distributed to the Committee a copy of the original request along with the recommendation from the Planning Department, which was why it was tabled at the last meeting. You were looking for a report from Planning. The petitioner for the property is present. If you note on the surplus determination it has been deemed that it is surplus and the Planning Department has indicated that the Committee may wish to sell to an abutter because there is no road frontage with the piece. I know that the Assessors did visit the property again today because there was discussion about the price of the property at the last meeting and I believe Tom and Steve went out there today and are willing to report to the Committee regarding that.

Assessor Steve Harrington stated we believe that there is better access to the site then what we were led to believe. There is some improved road access. The result is that initially it was estimated that the improved road access was approximately 140 or 150 feet away from the property. Our inspection today revealed that it appears as though the road frontage goes right up to the property. We would like to revise the estimate of value of the property based on the improved access to the site.

Chairman Gatsas asked what is the value that you have come up with.

Assessor Harrington answered we believe that a reasonable estimate for the property would be \$15,000.

Alderman Garrity stated I am looking at the last page of the new map that we have here. Which road...is it Crescent Lane that you determined goes up to the side of the property? The one where it says paper street? Where is the access to this?

Assessor Harrington responded maybe we could compare maps.

Deputy Clerk Johnson stated the petitioner is present if you want to call him forward to answer any questions.

Chairman Gatsas asked what is the square footage of that lot or the two combined.

Assessor Harrington answered there are two lots. One is 11,384 square feet and the other is 2,775 square feet.

Chairman Gatsas asked is there City water there.

Assessor Harrington answered no.

Chairman Gatsas asked what is the minimum lot size requirement without City water and City sewer.

Assessor Nichols answered I believe it is around 32,000 square feet. I think they are working on a sewer system out there.

Alderman DeVries stated it is completed now.

Chairman Gatsas asked is there sewer there, Mr. Marchwicz.

Alderman DeVries answered City water is accessible there as well. It would just have to be run.

Mr. Marchwicz stated as far as the sewer, I own Lot 50, which is across and I own Lot 23 and the sewer stops right on the edge of my property which would be from the corner of Highland right up to the end of Lot 23. It is 80 feet. There is no water at all on the street. I have an Artisan well.

Chairman Gatsas asked where is the water.

Mr. Marchwicz answered it is on West Shore.

Chairman Gatsas asked so there is nothing that comes up Crescent. All of the other houses that are on Crescent...

Mr. Marchwicz interjected they all in the past had water rights from other houses in the back. They paid for water rights and bought water from the other houses. My whole street is ledge.

Alderman DeVries asked is the determination from the Assessor's Office that this is a buildable lot knowing that City sewer is available to this lot.

Assessor Nichols answered if that is the case, yes.

Alderman DeVries asked would you be making a different statement of value based on that.

Assessor Nichols answered yes.

Chairman Gatsas stated let's get a clarification. The City sewer ends at the beginning of Lot 23? Is that what you are telling me or does it go past Lot 23?

Mr. Marchwicz answered it ends at Lot 23.

Chairman Gatsas asked right at the edge of Lot 23 and not where Lot 23 comes into Lot 22.

Mr. Marchwicz answered yes.

Alderman DeVries asked is your intent to build on this property.

Mr. Marchwicz answered not at this time.

Alderman DeVries stated I would like to ask the City Solicitor because I thought the intent of running the sewer and water into that area is that it would not continue to impact on Crystal Lake. I am wondering would there be an ability to place a conveyance that no construction could take place on this property without making the connection into City sewer and water?

Deputy Solicitor Clark answered yes you could do that.

Alderman DeVries stated we just spend several million for the sewer project so I would definitely not want to see a septic system.

Mr. Marchwicz answered we all have City sewer.

Alderman DeVries stated you were just saying that it was falling short of that. I am just asking what we are allowed to set for parameters should we approve this.

Chairman Gatsas what we are talking about here is Lot 23 you would have to extend the sewer line. Doesn't the sewer line have to be extended past the lot to make it a buildable lot? You have to cover the sewer line for the entire frontage of your lot.

Mr. MacKenzie answered normally you wouldn't have to cover the full extend of your lot. If you had typically up to 30' in front of your property you could attach it. I think more importantly here is you cannot have a building lot without public street frontage somewhere. Now this particular property I don't believe has any public street frontage. You could apply to the Zoning Board of Adjustment to waive that requirement but as it stands now there is no public street frontage in front of the City parcel and it is technically not a buildable lot.

Alderman DeVries stated I certainly do not have a problem selling this for a reduced price if there are covenants set that are going to assure us that it will remain green and open and not become a future developed property. If there is any way that this could be developed property, I think we should be getting a fair asking price, which would be considerably more than the \$15,000. Buildable lots in that area today I think are going in the range of \$75,000.

Assessor Harrington replied if this was ready to develop I think that the indications are that it has the potential to become a building lot, however, it doesn't have those attendant rights at this point. We adjusted our estimate of the value based on slightly easier development of that parcel but there is still a lot of work that has to be done.

Alderman DeVries stated I guess my question would be for John. If we were to ask our Solicitor to prepare something that would have the covenant on it that would restrict the future building on that lot would you still be interested in it?

Chairman Gatsas asked how can you even ask that.

Mr. Marchwicz answered no because I own the property at Lot 23 and I need property to make it a buildable lot in the future and without that property I can't do it without a variance or something. That is why I wanted to buy it. For a backyard in the future.

Chairman Gatsas asked I don't know how you can do that.

Alderman DeVries answered I thought the Solicitor just told me we could do that.

Deputy Solicitor Arnold stated you could put restrictions in the deed if you chose to do so. However, technically those restrictions probably could not be in perpetuity because it would violate the rule against perpetuities but you could put them on for a period of time.

Alderman DeVries stated I would amend my suggestion and would like to send this back to the Assessor's Office for a value.

Chairman Gatsas stated let's understand something. That lot is not a buildable lot today. Without Lot 23 he can't build on this lot. It is not buildable. So without it the value is zero or whatever you came up with? What did you come up with a value if it is not buildable?

Assessor Harrington answered \$15,000.

Chairman Gatsas stated so unless the City or somebody is going to extend Crescent Lane to get them frontage to get access to that lot, the value is not more than \$15,000. Now to get that street and you have ledge up there don't you...what do they figure for a cost to put a road in Bob?

Mr. MacKenzie answered \$250 per linear foot approximately.

Chairman Gatsas asked what is the frontage on Lot 23.

Mr. Marchwicz answered there is 51 feet and then it takes a turn for 93 feet. If you were to add it together it is 140 feet.

Deputy Clerk Johnson stated I would also note that Crescent Lane is a paper street and under statute more than likely it has been released and discharged so it would have to go through the whole dedication process of ownership in order to do anything as well, which means you would have to own the lot before it in order to get to it. That is also something to consider, which is probably playing into the same suggestion of the Planning Department that sale to an abutter seems to be the most appropriate.

Chairman Gatsas responded right and the value is not going to change from the \$15,000 because you still have to run 150 feet of linear road at \$250 a foot.

Assessor Harrington stated the increase in value is the difference in proximity of that road to the site. A developer might buy that site and invest in putting the



roadway and utilities to the property but it would be a substantial risk and substantial cost.

Deputy Clerk Johnson stated my point is that the developer couldn't do anything unless he also acquired a piece of this gentleman's property because there is no public status to the roadway at this point so he would have no access to get there for a road.

Alderman DeVries asked isn't there 51 feet of public status for this particular lot before it takes the corner.

Deputy Solicitor Arnold stated the paved portion probably has public status. That is an educated guess.

Alderman Pinard moved to sell to the abutter at the price set by the Assessor. Alderman Garrity duly seconded the motion.

Alderman Garrity asked, Tom, didn't you say you had to readjust the value because of the sewer...hasn't the price range changed since the meeting before. Didn't you say you had to go back and reassess it?

Assessor Nichols answered no what was said was because of the situation out there we came up with the \$15,000.

Alderman DeVries stated I thought you thought the situation out there was that it was septic and not sewer.

Assessor Nichols responded somebody asked how many square feet you need for septic and I said around 30,000 square feet but I know that the road has been dug up out there and they did put in the sewage out there.

Alderman DeVries asked, Bob, could you clarify for me...you are saying today that Lot 22 with sewer and 51 feet of road frontage could apply for a variance to be a buildable lot.

Mr. MacKenzie answered they would have to get a few variances. The freestanding lot, Lot 22, does not meet the zoning ordinance currently. If somebody else bought it other than this abutter they would have to apply for several different types of variances I can't predict whether all of those would be granted or not. It is probably unlikely at this point.

Alderman DeVries asked what do you think the variance actions might be that are necessary.

Mr. MacKenzie answered probably lot area if they don't have public water on this site and I don't think public water comes up Crescent Lane. Lot area and lot frontage...probably those two would require variances.

Chairman Gatsas asked but he would have to run the street up to his lot line right. He would have to extend Crescent Lane up to his lot line.

Mr. MacKenzie answered right. He would have to run it at least 50 feet in front of the lot and if he wanted to include Lot 21A he would have to run it the entire 140 feet, however, as the City Clerk has indicated it is an old paper street and you may not have the ability to put a public street in. You would have to either go through Quiet Title process, which is a lengthy process, or go out and purchase other properties from abutters. It is not a given that you can automatically put a public street in there.

Alderman DeVries asked, Bob, if he was to do a voluntary merger of the lots do you see a potential for a planned development on that property.

Mr. MacKenzie answered I don't believe so. We do require for a planned development that they demonstrate that they could do it in a regular subdivision. I don't think they could demonstrate to us unless they had the variance that they could build another lot there.

Alderman DeVries stated I would just like to clarify because it is certainly not that I am opposed to these individuals acquiring property. My concern is for the future of Crystal Lake. Everybody has been fighting very hard to preserve that lake that is very dependent upon the watershed and that is why I am asking all of the questions to ascertain how many homes we might be impacting by letting this property go to you. It certainly is not that I am opposed to you receiving a property. I am just trying to see what I am opening this up for as far as impacts to Crystal Lake. That being said, I think I am fine with this.

Chairman Gatsas called for a vote on the motion to sell the property to the abutter for a price of \$15,000. There being none opposed the motion carried.

6. Communication from Robert S. MacKenzie, Planning Director, regarding the Request for Proposal for a parcel of land on Old Wellington Road.

On motion of Alderman DeVries, duly seconded by Alderman Pinard it was voted to remove this item from the table.

Deputy Clerk Johnson stated I would note for the record that this is the Old Wellington Road piece and that Parks & Recreation is present as requested at the last meeting.

Chairman Gatsas stated I think there were some concerns, Ron, about the disposing of this property. You had a request that the City hold on to it for the possibility of future use as parks.

Mr. Ron Ludwig responded at the meeting and I am not sure of the date that I was here and spoke to the issue when it came up rather quickly I put together and I don't see it in this agenda but I have more copies if you want. Basically it is the generic statement that we at the Parks Department and I think the Commission would agree as well, feel in terms of us being parks people...typically we try to identify although we might not always succeed in our mission, parcels that would be usable. I think at that meeting I indicated as the letter you have in front of you...the same one that I circulated at the meeting I was at and I think that my opinion is pretty much already on the record. All I would add, Chairman Gatsas, is that the department doesn't have a formal plan at this point to develop that parcel and may not in the near future given funds and the projects that may take precedence but in terms of any buildable space that the City would dispose of we would just ask that the Board of Mayor and Aldermen give every consideration to looking at those parcels in terms of how they could be used before it disposed of them. That is all I had to say. That is what I said last time and I am saying it again today.

Alderman Pinard stated Ron you and I have discussed this. Please answer this directly. If we were to save that piece of property for future recreation, do you have a plan in place for one year, two years, ten years or twenty years? I think this is what we want to know. We want to protect land space but we also want to help the taxpayers of this community and if somebody could give us a timetable of how long we are going to have to hold I think this is what I am looking for. This piece of property is a nice property. I was in favor of the senior center there but seeing that that has fallen by the wayside and we need the dollars to cut the tax rate, this is what I am asking you. Do you have any future plans for that land in the next couple of years?

Mr. Ludwig answered not in the next two years.

Alderman DeVries stated I certainly understand the need for park and athletic field space. I have been working with your department to accomplish that goal, especially in areas of its highest need in the south end of the City. We have been through all of that. I also recognize the need for the elderly for affordable housing. There are years on the waiting list today for our affordable housing units

on Tarrytown Road and I just feel that it is time for us to go forward with a development that will meet those needs because it is not just the needs of the youth that we are trying to balance here, it is also the needs of the elderly and that number is growing as everybody knows. I would recommend that this property, because we are not looking to dispose of this property for any purpose. We are putting specifications for the use on the RFP that has been designed for this property specific for the affordable housing units and I think the Planning Director if he has not already done so can elaborate on that for this Committee.

Alderman DeVries moved that the Committee recommend moving forward with the RFP to the full Board this evening.

Chairman Gatsas asked, Mr. MacKenzie, how many units are able to be put on this 9.6 acre parcel.

Mr. MacKenzie answered we haven't done any specific designs but I am estimating between 60 and 75 units depending on the style of units you put on there.

Chairman Gatsas stated so we are talking about 11 workforce-housing units if we use 75 as the maximum because it says with at least 15% being affordable workforce housing according to the guidelines.

Mr. MacKenzie responded yes.

Chairman Gatsas stated so that is 11 units out of 72. I agree it may make some sort of a dent but it doesn't make that much of a dent and maybe we need to make that restriction at 75 units of workforce housing if that is what we are going to do.

Alderman Lopez stated just to bring to your attention I am told that a developer did look at the property and 70 units could be put there so your restriction of 75...I just want to bring that point to your attention.

Alderman Osborne stated I don't really know where to start here. I have done so much...I sent a letter out to the full Board, which I am sure all of you have read through. I would like to ask Mr. MacKenzie a question on the Master Plan. What is the story with the Master Plan? This was adopted back in 1993 and it is up in 10 years and it is not even valid right now, the Master Plan?

Mr. MacKenzie responded it is recommended that it be updated on a regular basis such as 10 years. At this point we do not have the staff capabilities to update it. It has been 10 years at this point. We do hope to get to a Master Plan update in the next 24 months.

Alderman Osborne asked why are we trying to get rid of so much land when we are not even up to date with this. I guess it comes under RSA 674:2. Isn't it a mandate that this is done before we dispose of large parcels of property like this?

Mr. MacKenzie answered there is no direct tie between a community's Master Plan and disposing of property. There are no legal ties.

Alderman Osborne asked under this State statute.

Mr. MacKenzie answered not to my knowledge. There are no ties. There are communities that do not have any Master Plans that do dispose of property.

Alderman Osborne stated I thought the word was "shall" be done in a 10-year period.

Mr. MacKenzie responded again to my knowledge there are no ties between a City's Master Plan and the ability of a community to sell off surplus property.

Alderman Osborne asked does the City Solicitor have any input on this.

Deputy Solicitor Arnold answered I believe Mr. MacKenzie is right.

Alderman Garrity stated I don't know if this question is for the Assessors or Bob. What are the estimated annual tax revenues once the property is developed?

Assessor Nichols answered I know we don't have that figure right now because we don't know what the property is going to be once it is done being developed.

Chairman Gatsas asked multi-unit land, Bob, what is that selling for.

Mr. MacKenzie answered raw land that is available for multi-family is selling for roughly \$10,000 per unit. If you put 70 units on this property and it was valued at maybe a little over \$100,000 per unit you are talking on the order of \$8 million perhaps in total construction costs. I am not sure if that translates into assessments but if it did that would be roughly...

Assessor Nichols interjected you could multiply that times \$25.68.

Mr. MacKenzie stated that would be a little under \$25,000. No, I have about \$200,000 per year.

Alderman Garrity asked so the estimation is about \$200,000 a year in tax revenue.

Mr. MacKenzie answered yes.

Alderman DeVries stated if we were to change the RFP so that it would be 100% affordable is it likely that there will be available financing or has that been accounted for. How likely are we to get any replies back on an RFP that looked like that?

Mr. MacKenzie responded you are probably limiting yourself to just non-profit organizations. There are some private developers that do projects but they would more normally do a mix of market rate housing and affordable workforce housing. It is possible if you limit it 100% to workforce housing that you might be limiting your perspective proposals.

Alderman DeVries asked how about a timeframe in reference to working with just non-profits. Does that draw out the RFP process? Does it take longer to process that?

Mr. MacKenzie answered in theory the private developers should be able to react more quickly but I haven't found the non-profits to be any slower in my experience. We are talking probably eight to ten weeks to get a proposal back because developers would have to do a number of due diligence items.

Alderman DeVries asked as far as the planning that has been done to address the affordable housing issue do you have a recommendation on which way you think this project should go.

Mr. MacKenzie answered I think in discussing it with our staff and a few other people that certainly there have been projects in the City that have been mixed with both affordable housing and market rate housing and those have been successful. That is where I thought we could both maximize the sale price of the property while providing some relief and if the Board wants to consider something different than 15% they could but ultimately I think you strike the best balance if you have a mixed market rate and affordable housing project.

Chairman Gatsas asked Mr. MacKenzie can you define for me what you think affordable housing is.

Mr. MacKenzie answered there are specific guidelines by the Department of Housing and Urban Development in terms of what families make in this area. Realistically in our current market anything under \$1,000/unit for two or three bedrooms is affordable housing. Most new units coming on line are more than \$1,000 per unit a month.

Chairman Gatsas asked and that is what we call affordable.

Mr. MacKenzie answered again affordable per HUD is on the order of...I know on the Piscataquog River apartments on the West Side the affordable units were roughly \$750/month and those were to some extent subsidized by the Department of Housing & Urban Development.

Chairman Gatsas asked Section 8.

Mr. MacKenzie answered yes Section 8.

Alderman Pinard asked have we set a value on this property. We can go round and round but I think...did you set a value on the property on Wellington Road?

Assessor Nichols answered \$600,000 would be the minimum bid.

Alderman Pinard asked how would we go about disposing of this now.

Deputy Clerk Johnson answered I think what is being suggested is to recommend that the Board go out for a Request for Proposals that would be submitted to this Committee based on the RFP that was attached to your agenda that was prepared by staff, which also reflects a minimum bid of \$600,000 with 15% affordable housing units.

Alderman Pinard asked would that be advertised.

Deputy Clerk Johnson answered it would go through an advertising process. You would have to assign staff to go through the process. I am presuming that you would probably go back to Bob for that.

Chairman Gatsas stated I don't know if I am in favor of looking at \$600,000 at a minimum bid. I think \$15,000 a unit is probably a little bit closer to what I think is market. At 70 units that is somewhere around \$1.050 million. Land cost at \$100,000 a unit at \$15,000 for land cost I don't think is a ridiculous number. If you are talking about 1,200 square feet that brings you somewhere around \$80 a square foot on construction cost if you are on a mid-rise. I don't know if \$600,000 is a number that we should be engaging.

Mr. MacKenzie responded just to be clear, my information from different developers that we worked with is that per unit raw land values is \$10,000 per unit, not \$15,000.

Chairman Gatsas stated I guess I would ask them if they would sell their raw land at \$10,000 a unit.

Alderman Osborne stated Mr. MacKenzie recently we purchased three tracts of land over on the West Side for \$750,000 to put the senior center on correct. How can you tell me that buying three tracts of land for \$750,000 doesn't even equal an acre? Here we are with what you are saying, which is \$600,000 for 10 acres. How do you account for that one?

Mr. MacKenzie responded the land values included the improved real estate on the West Side. There were three three-family buildings. Three-family buildings run roughly \$250,000 per property in the City...a little bit more than that right now and the City indicated they should move ahead with that project.

Alderman Osborne stated but those are all coming down, Sir. All of those buildings are coming down plus demolition costs so what are you ending up with? Square footage of land is all you have left. I just can't see the City spending \$750,000 for three house lots and selling 10 acres of this beautiful land for \$600,000. I know it is worth \$1 million easy. I know that. I knew that a long time ago. It was worth this much money 20 years ago. That is all I can tell you.

Alderman Lopez stated I would just like to point out to the Committee that even though it is 9.6 acres and maybe Mr. MacKenzie can add to this that the 9.6 acres is not all buildable land because of wetlands and hills and whatever else you have out there. So the buildable housing area I think is about 3.5 or 4 acres that is usable for building. I don't know if you have had a chance to look at it, Mr. MacKenzie.

Mr. MacKenzie answered yes. The largest share of that site is relatively steep slopes as it heads up towards Sunset Ridge. A smaller portion down towards the highway is wetland. There is a very nice central section that is relatively flat. There is some grade change but of the entire site probably a little bit less than half is good usable land.

Alderman Garrity asked, Bob, is it your opinion that the land that is flat...I think it has been stated in earlier meetings, is it easily developed.

Mr. MacKenzie answered I think the area that is not steep or wetland I would think can fairly easily be developed.

Chairman Gatsas asked what is the minimum lot size in an R-SM zone.

Mr. MacKenzie answered I believe R-SM is 15,000 square feet.



Chairman Gatsas asked and on a 15,000 square foot lot you can put how many units.

Mr. MacKenzie answered a three-family.

Alderman DeVries stated my comment would be that we have heard presented that 70 units could be built on the property. We have also heard that for raw land \$10,000 is the figure we should be looking at so I am wondering if the minimum bid should be \$700,000 with the further restriction regarding the affordable housing.

Chairman Gatsas asked without further restrictions.

Alderman DeVries answered leaving it the way the RFP is written.

Mr. MacKenzie stated again Mr. Chairman I don't think that is an unreasonable range. I looked at what I saw could fairly easily be developed as 60 units but squeezing it again you could perhaps go up to 75. If you assume 70 units at \$10,000 per unit that is \$700,000 and I would be comfortable with that as well.

Chairman Gatsas asked you are not comfortable with \$900,000.

Mr. MacKenzie answered again that is beyond what I have heard raw land goes for from the various developers that we work with.

Alderman DeVries asked wouldn't a competitive bidding process take care...I mean if somebody is willing to give us \$900,000 they are going to compete with each other if they want the land and are willing to invest in raw land.

Mr. MacKenzie answered yes.

Alderman DeVries asked is that what you have seen in the past. If we under value in the RFP do they come in higher?

Mr. MacKenzie answered I believe in this case there will be multiple bidders and that will work towards giving the advantage to the City. I guess the one concern of going higher is the time equation. Again, there is only two properties that I know of that the City might be able to sell with the restriction that you have to meet the budget issues by October 31. If you do want to proceed with this property if you put too high a price tag on it and there are no bidders you do not have the time to go back for another bid round.

Chairman Gatsas responded but that does not allocate why we should be selling it for less than market. I mean this isn't going to be an open bid process. It is a sealed bid process and if we go in for a minimum of \$700,000 I don't think you are going to find ranges that take you to \$900,000. You may find them from \$700,000 to \$725,000 but I don't think anybody is coming in and saying okay I think I will pay \$800,000 for this.

Alderman Forest asked can we ask the Assessor for his educated guess on raw land in the City.

Chairman Gatsas replied sure we can.

Assessor Nichols stated looking at the sheet that we gave the Committee the last time we met, in one particular area was the Mammoth Road area where Filip's Glen is. That sold for \$300,000 for a parcel that was 5.88 acres. The one right next to it sold for \$900,000 and that had 2.29 acres. They combined the both of them so both of them sold for \$1.2 million. The two parcels combined. Those people worked out a deal and that is what they sold it for.

Chairman Gatsas asked how many units was that.

Assessor Nichols answered they are only going to get 40-44 house lots out there.

Alderman Garrity stated I don't have that graph in front of me but how much did the property on South Beech Street, Lisa Lane, sell for.

Assessor Nichols answered \$775,000 and that was only 6.68 acres.

Chairman Gatsas asked how many units.

Assessor Nichols answered there will be about 19 houses built in there.

Alderman Garrity asked how much was that again.

Assessor Nichols answered \$775,000.

Alderman Garrity asked and what was the acreage again.

Assessor Nichols answered 6.68 acres.

Alderman Garrity asked and the buildable acreage up at Wellington Road is what.

Mr. MacKenzie answered the buildable acreage is probably between 3 to 3.5 acres.

Alderman Garrity moved to recommend that an RFP be put out with a minimum bid of \$750,000.

Alderman Pinard duly seconded the motion.

Alderman Osborne stated I just want to say one last thing here. The City has owned this land for 40 years. All of the sudden Rip Van Winkle wakes up and they want money for the budget, a quick fix. Anyway what does this amount to, Mr. MacKenzie, \$.15, the \$650,000 we are looking for? What has been found so far of this \$650,000 or are we just relying on this Wellington Road property?

Mr. MacKenzie responded I think the only one that has been fairly assured so far is the Pearl Street property at \$135,000.

Alderman Osborne asked and that is all there is so far.

Mr. MacKenzie answered to my knowledge, yes.

Alderman Osborne asked and the Canal Street Garage. We haven't discussed that much yet right.

Mr. MacKenzie answered no. I know some of the staff is still waiting for an appraisal back on the property to get its current value.

Alderman Osborne asked didn't we have a bid on it at \$2.5 million or something.

Mr. MacKenzie answered \$2.5 million was an offer, although there is bonding on the order of \$2 million on the property.

Alderman Osborne asked so you got about \$400,000 there. Has this been looked into? \$400,000 here and \$100,000+ there...I just can't understand why after 40 years everyone is climbing on Wellington Road. If I hadn't brought this up in the first place for the senior center I think it would have been still sleeping. It has been sleeping for many, many years and it really is not fair. I think the City should keep this and look for future uses for it instead of trying to do everything in a year or two here to make a quick fix. Fifteen cents or a dime or whatever...that property is well worth it. Well worth it. That is all I have to say. Everybody wants to sell everything. Everybody wants to buy everything. Too quick. Too fast.

Alderman Garrity stated I think when you look at the \$200,000 in annual tax revenue it doesn't become a quick fix. It sat there for 40 years and we haven't been receiving any taxes on it. At \$200,000 a year in tax revenue in Mr. MacKenzie's estimation...I think to sell the land it fixes some of our problems but it adds...I mean we are building our tax base and I don't believe that that area of the City requires any additional parkland. I believe that the South end is in dire need of some parkland but there is Derryfield Park up there. There is the Country Club and I think the parkland in that area of the City is adequate. I would just stress that \$200,000 of yours in tax revenue is building the tax base and that is what we have a problem with in this City, our tax base. Thank you, Mr. Chairman.

Chairman Gatsas stated I think that the City is short-changing itself on values. If we just do...what is an R-2 lot worth today?

Mr. MacKenzie responded I would defer to the Assessor.

Assessor Nichols stated they are going from \$40,000 to \$125,000 all over the City. That is the range. If you go up to the North end you are going to see that they are selling for well over \$125,000. There are a couple on the East end that I know right off the bat where the guy bought a house and subdivided it up and sold the lot for \$90,000.

Chairman Gatsas asked so if we used a conservative figure and said \$75,000 and if we went in and said you are at 3.5 acres and you need 15,000 square feet for three units then let's assume that because right across the street there are some awful nice duplexes that are built down at the end of Wellington Road if you know where I am talking about. If you take that, that is about 70 units and it is about 35 duplexes. I think if you did some simple math and went through that process if we said it was 35 times 75 you are at about \$2.6 million for the land value. Now I think that is a little high because it is probably half of that but you are probably somewhere around \$1.3 million if you went in and did a planned unit development in there and sold those units off. I think the City is way underestimating the value of the land.

Assessor Harrington stated that would assume that there were roadways and utilities available to develop or sell those sites at a retail price.

Chairman Gatsas responded everything is right in front going right down the street so this isn't about putting in a road or...you can go in with a planned unit development and do your roads but I think that by the time you are done your value is much higher. I just think we are selling it at a very small value of what

we are looking to put there. That is my opinion. I know we have developers that are telling us that is the best thing.

Alderman Pinard asked, Mr. Chairman, what do you figure it is worth. You have been in real estate longer than I.

Chairman Gatsas answered I don't think we should have it on the market for less than \$900,000.

Alderman Pinard responded I agree.

Chairman Gatsas stated well you already seconded the \$750,000.

Alderman Pinard replied \$750,000 for a start. That is the way I understood it.

Chairman Gatsas stated but this is not a start. This is an end because if somebody comes in at \$750,000 you have to sell it.

Alderman Pinard responded I thought it was stated before that we could start at \$750,000 and go up.

Chairman Gatsas replied no.

Alderman Lopez stated I appreciate the Committee allowing me to speak again. I just want to make sure that we are not missing something and whether it is \$750,000 or \$900,000 is not the issue. I just want to ask Mr. MacKenzie...I believe you indicated to us when we were going to put the senior center that it would a high cost value to put in sewage and water in that particular area. I was wondering if that would have any bearing on the cost of the minimum bid of the \$750,000 versus \$900,000?

Assessor Harrington responded all of those factors enter into what a developer will pay for the right to build these units and in reality when you are selling raw land you are really selling the rights to build, not the real estate. All of those costs, if they are increased because of the difficulty in topography on parts of the site, then they would reduce what a developer would be willing to pay because he would have a reduced expectation of cost.

Alderman Pinard asked could you repeat the motion, Alderman Garrity.

Alderman Garrity answered the motion is that we go out for a Request for Proposals with a minimum bid to be set at \$750,000.

Alderman Pinard asked is that the final price.

Alderman Garrity answered no that is the minimum bid.

Chairman Gatsas called for a vote on the motion. The motion carried with Alderman Gatsas being duly recorded in opposition.

Chairman Gatsas stated I want to go on notice that I am bringing in a minority report on the RFP for Old Wellington Road.

There being no further business, on motion of Alderman Garrity, duly seconded by Alderman Pinard, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee